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6<sup>th</sup> September, 2013

Your Reference: UNC Modification Proposal 0407.

Re: UNC Modification Proposal 0407: Standardisation of notice periods for offtake rate changes for all National Grid NTS Exit Users

Dear Bob,

Thank you for your invitation seeking representation with respect to the above Modification Proposal, which National Grid Gas Distribution ("NGD") would like to support.

**Do you support or oppose implementation?**

Support.

**Please summarise the key reason(s) for your support.**

This Modification Proposal was raised by Wales & West Utilities and in its current form is the result of a collaborative approach by the GDNs and National Grid NTS and represents a pragmatic solution to addressing the risk posed by the existing '2 hour 5% rule' (the Rule) as set out in the Offtake Arrangements Document. It is proposed to manage the application of the Rule in a similar way to the arrangements which currently exist in UNC TPD J4.5.6 & J4.5.7 and that where it is feasible to make gas available, NTS will accept a revised GDN Offtake Profile Notice which breaches the Rule. Feasibility will be determined by NTS based on the likelihood of its acceptance giving rise to the need for an Operational Balancing Requirement. National Grid Gas Distribution (NGD) believes that it would have been more appropriate to remove the Rule in line with the original Proposal or to have had the rule effectively 'switched off' and only activated with advance warning. We recognise that the Proposal moves some way to ensure a more consistent approach for all of NTS's connected customers, although remain to be convinced that these revised arrangements will deliver a fully non discriminatory regime.

Notwithstanding the above, NGD welcomes the introduction of a notification process which will provide advance notice that a deviation from the Rule may not be accommodated, as this would permit timely communication with potentially affected customers.

**Are there any new or additional issues that you believe should be recorded in the Modification Report?**

No.

**Relevant Objectives:**

NGD believes that implementation of this Proposal would be consistent with the better facilitation of the GDN Licence requirement (SSC A9). Ultimately NTS retains the option to reject the OPN and consequently no additional (unnecessary) investment costs would be incurred, thus supporting the obligation to develop an economic and efficient pipeline system. The Proposal supports the practice of providing a contractual solution to help overcome a physical system constraint.

**Impacts and Costs:**

Transporters can implement this Proposal with some minor changes to operational processes and a review of any NExAs would be required.

**Implementation:**

Our view is consistent with the proposed timescales set out in the Draft Modification Report.

**Legal Text:**

NGD is satisfied that the suggested text, as published by the Joint Office, within the Draft Modification Report meets the requirements of the Modification Proposal.

**Is there anything further you wish to be taken into account?**

No.

We trust that this information will assist in the compilation of the Final Modification Report.

Please contact me on 01926 653994 ([alison.chamberlain@nationalgrid.com](mailto:alison.chamberlain@nationalgrid.com)) should you require any further information.

Yours sincerely,

Alison Chamberlain  
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